

February 2, 2005

TO: Potential Bidders
Third-Party Administrator for the Uniform Medical Plan

FROM: Vicky Rideout

RE: Amendment 5
Revise Scope of Work and Questions and Answers
Request for Proposals for
Third-Party Administrator for the Uniform Medical Plan

The purpose of this amendment is to revise the Scope of Work in the Request for Proposals (RF) by adding one paragraph to it and to list the latest set of questions and answers which are attached to this memo and posted on the HCA website.

The RFP Scope of Work is hereby revised by adding this paragraph to subsection 2.3:

(K) The Contractor's claim system will distinguish network claims from non-network claims and will be able to administer multiple and tiered networks.

The Questions and Answers are listed below.

When submitting your proposal, please include a signed copy of this memo as acknowledgment of your receipt of this amendment.

Bidder's Signature: _____

Printed name: _____

Title: _____

Company Name: _____

Date: _____

Amendment 5

Questions and Answers

Below are answers to questions:

- That were in Amendment 4 but were not answered
- That were corrected or supplemented.
- Raised at the Bidders' Conference on January 25, 2005.

1. Please provide a sample of the UMP enrollee identification card.

ANSWER: A sample of the UMP enrollee identification card, with explanation, is posted on the UMP web site at

<http://www.ump.hca.wa.gov/provider/idcards.shtml>.

2. What happens when an ID card is mailed but is returned by the Postal Service?

ANSWER: The following is the procedure when mail is returned. ID cards are returned to the TPA with or without postal service forwarding addresses.

(A) If there is a forwarding address, the TPA re-mails the ID card. The TPA also completes a form and send it to the PEBB Division of HCA to correct the system record of the address.

(B) If there is no forwarding address, the TPA researches recent claim history to find any new address. If one is found, the ID card is re-mailed and a form goes to the PEBB Division of HCA to correct the enrollment system record of the address. If no new address is found in the recent claim history, the ID card is held pending the PEBB Division response. A form is sent to the PEBB Division of HCA for research and response. If HCA finds a new address, it updates the enrollment system address and sends new address information to the TPA. Only HCA can make permanent changes to the enrollment system address record which is then passed to the TPA.

3. In Amendment 4, question 12 was, "What is the current auto-adjudication rate, e.g. a claim that is submitted electronically by a provider and is processed without any human intervention?"

ANSWER: The current auto adjudication rate is about 30%.

4. In Amendment 4, question 21 was, "Please provide the format of information to be provided to the HCA on complaints, appeals, and claim denials."

ANSWER: This is posted on the web site as

2004DenialAppealGrievanceDataFormat.pdf. Please note that fields G through M do not apply to UMP.

5. In Amendment 4, question 36 was, "Custom EOB: Please provide an example."

ANSWER: We have been working on a new custom format. There is no final version yet. A draft that shows the direction we expect to go is posted on the RFP web site as "UMP EOB Mock Up (10-14-04)1.pdf."

6. What work needs to be done after the contract is signed but before January 1, 2006?

ANSWER: The contractor, if it is a new contractor, will need to manage the transition and make a smooth and efficient transition from the existing TPA, with all services handled with no adverse effect on the enrollees, providers, or UMP. For example: it will need to provide information for Open Enrollment materials and prepare and staff a phone line for people calling with questions during or before Open Enrollment; it will need to staff the benefit fairs; it will need to prepare its staff and systems for UMP payment policies and rates; it will need to work with subcontractors and other UMP vendors to establish appropriate interfaces; it will need to work with the current TPA to load historical data. UMP will not pay the base fee to a new contractor for any month before January 2006; if a bidder proposes to be paid for any transition-period activities after the contract is signed, that must be itemized in the bid. UMP cannot pay for services performed before the contract is signed.

7. Who prints the certificates of coverage? UMP or the contractor?

ANSWER: UMP prepares the certificates of coverage and has them printed. That is not a duty or expense of the Contractor. HCA/UMP handles annual distribution of the certificates of coverage to continuing enrollees. The Contractor does mail certificates of coverage (and other materials) to new enrollees, however, as described in the RFP and draft contract form, and the costs of that distribution are to be included in the base fee.

8. Does RFP subsection 2.13 refer to business hours or just elapsed time?

ANSWER: Elapsed time on the clock, without regard to business hours.

9. In Amendment 4, question 27 was, "10.1.4 Monitoring of Work Orders: Please provide the volume of work order volumes in the latest 12 months with categories and dollar volume."

ANSWER: There were 43 work orders to the TPA in 2004. Of those, only five generated additional costs to the plan. For those, UMP paid a little less than \$200,000. The majority of those costs were related to

- (a) subcontracted analysis and rebasing of hospital reimbursement rates,
- (b) start-up costs related to OneHealthPort, and
- (c) miscellaneous programming changes.